charles FRAUD

Expose Truth.Fight Injustice.Demand Action.

Suspected Fraud in Your Account? Here's What to Look For...

See also:

Inaccurate Gain/Loss Accounting

Inaccurate Transaction Dates Indicate Unreported Positions

In 2023, a FINRA Disciplinary Action issued against Barclay's Capital affirmed that the type of error I'd identified in my Schwab brokerage statements was indicative of transactions missing from the record. First we'll review the recordkeeping issue, then we'll show how it matches the the FINRA A.W.C. (*Letter of Acceptance, Waiver, and Consent)*

Charles Fraud highly encourages you to inspect your own brokerage statements to check whether the same types of errors exist. If you find something, let me know.

Referenced below are excerpts from my Schwab Brokerage Statement. The complete brokerage statement for March 2018 can be accessed via the link below or by clicking on any of the excerpts.

Schwab 2018 March Statement

At issue here is the *Short Sale* of 50 Options Contracts that, according to the "*Realized Gain or (Loss)*" (shown in the excerpt below) was a position that was both *Opened* and *Closed* on March 23. The problem, as we'll see below, is that the "*Transaction Detail*" section reports different dates for those transactions.

March Brokerage Statement - Page 12

charles SCHWAB

Schwab One® Accountof [redacted]R | Account Number [redacted]-5612 | Statement Period March 1-31, 2018

Realized Gain or (Loss) (continued)

Short Term (continued)			Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
CALL SPDR GOLD TR 03/23/18: GLD 03/23/2018 127.00 C	$127	EXP	10.0000	03/22/18	03/23/18	762.32	76.76	685.56
CALL SPDR GOLD TR 03/23/18: GLD 03/23/2018 127.00 C	$127	EXP	15.0000	03/22/18	03/23/18	1,143.48	115.13	1,028.35
CALL SPDR GOLD TR 03/23/18: GLD 03/23/2018 127.00 C	$127	EXP	24.0000	03/22/18	03/23/18	1,829.59	184.21	1,645.38
CALL SPDR GOLD TR 03/23/18: GLD 03/23/2018 127.00 C	$127	EXP	40.0000	03/22/18	03/23/18	3,049.31	307.02	2,742.29
CALL SPDR GOLD TR 03/23/18: GLD 03/23/2018 127.00 C	$127	EXP	90.0000	03/22/18	03/23/18	7,494.97	690.79	6,804.18
CALL SPDR GOLD TR 03/23/18: GLD 03/23/2018 127.00 C	$127	EXP	110.0000	03/22/18	03/23/18	9,051.62	844.31	8,207.31
CALL SPDR GOLD TR 03/23/18: GLD 03/23/2018 127.00 C	$127	EXP	181.0000	03/22/18	03/23/18	13,798.15	1,389.27	12,408.88
CALL SPDR GOLD TR 03/29/18: GLD 03/29/2018 127.00 C	$127	EXP	30.0000 S	03/23/18	03/23/18	905.06	1,224.92	(319.86)
CALL SPDR GOLD TR 03/23/18: GLD 03/23/2018 128.00 C	$128	EXP	150.0000	03/23/18	03/23/18	645.18	2,204.80	(1,559.62)
CALL SPDR GOLD TR 03/29/18: GLD 03/29/2018 128.00 C	$128	EXP	50.0000 S	03/23/18	03/23/18	1,107.80	938.24	169.92

The "*Transaction Detail - Purchases and Sales*" section reports that the position was Opened on March 21 and Closed on March 22. Aside from the discrepancy regarding the transaction dates, all other data align including *Cost Basis* and *Proceeds*.

- First, the *Short Sale* (opening the position) is reported with a *Trade Date* of March 21:

March Brokerage Statement - Page 19

charles SCHWAB

Schwab One® Accountof [redacted] | Account Number [redacted]5612 | Statement Period March 1-31, 2018

Transaction Detail - Purchases & Sales (continued)

Options Activity (continued)

Settle Date	Trade Date	Transaction	Description	Quantity	Unit Price	Total Amount

Settle Date	Trade Date	Transaction	Description	Quantity	Unit Price	Total Amount
03/22/18	03/21/18	Short Sale	CALL SPDR GOLD TR $126.5 EXP 03/23/18: GLD 03/23/2018 126.50 C	(1.0000)	0.2200	21.21
03/22/18	03/21/18	Short Sale	CALL SPDR GOLD TR $126.5 EXP 03/23/18: GLD 03/23/2018 126.50 C	(33.0000)	0.2200	699.34
03/22/18	03/21/18	Short Sale	CALL SPDR GOLD TR $126.5 EXP 03/23/18: GLD 03/23/2018 126.50 C	(1.0000)	0.2200	21.21
03/22/18	03/21/18	Cover Short	CALL SPDR GOLD TR $126.5 EXP 03/23/18: GLD 03/23/2018 126.50 C	35.0000	0.2700	(973.25)
03/22/18	03/21/18	Sold	CALL SPDR GOLD TR $126 EXP 03/29/18: GLD 03/29/2018 126.00 C	(16.0000)	0.7300	1,153.36
03/22/18	03/21/18	Sold	CALL SPDR GOLD TR $126 EXP 03/29/18: GLD 03/29/2018 126.00 C	(4.0000)	0.7300	288.33
03/22/18	03/21/18	Short Sale	CALL SPDR GOLD TR $127 EXP 03/29/18: GLD 03/29/2018 127.00 C	(30.0000)	0.3100	905.06
03/22/18	03/21/18	Short Sale	CALL SPDR GOLD TR $128 EXP 03/29/18: GLD 03/29/2018 128.00 C	(1.0000)	0.2400	18.40
03/22/18	03/21/18	Short Sale	CALL SPDR GOLD TR $128 EXP 03/29/18: GLD 03/29/2018 128.00 C	(49.0000)	0.2300	1,089.40
03/22/18	03/21/18	Bought	CALL DIREXION SHARES E T	40.0000	0.1700	(711.58)

- And the *Cover Short* transaction (the purchase closing the *Short Sale* position) is reported with *Trade Date* of March 22:

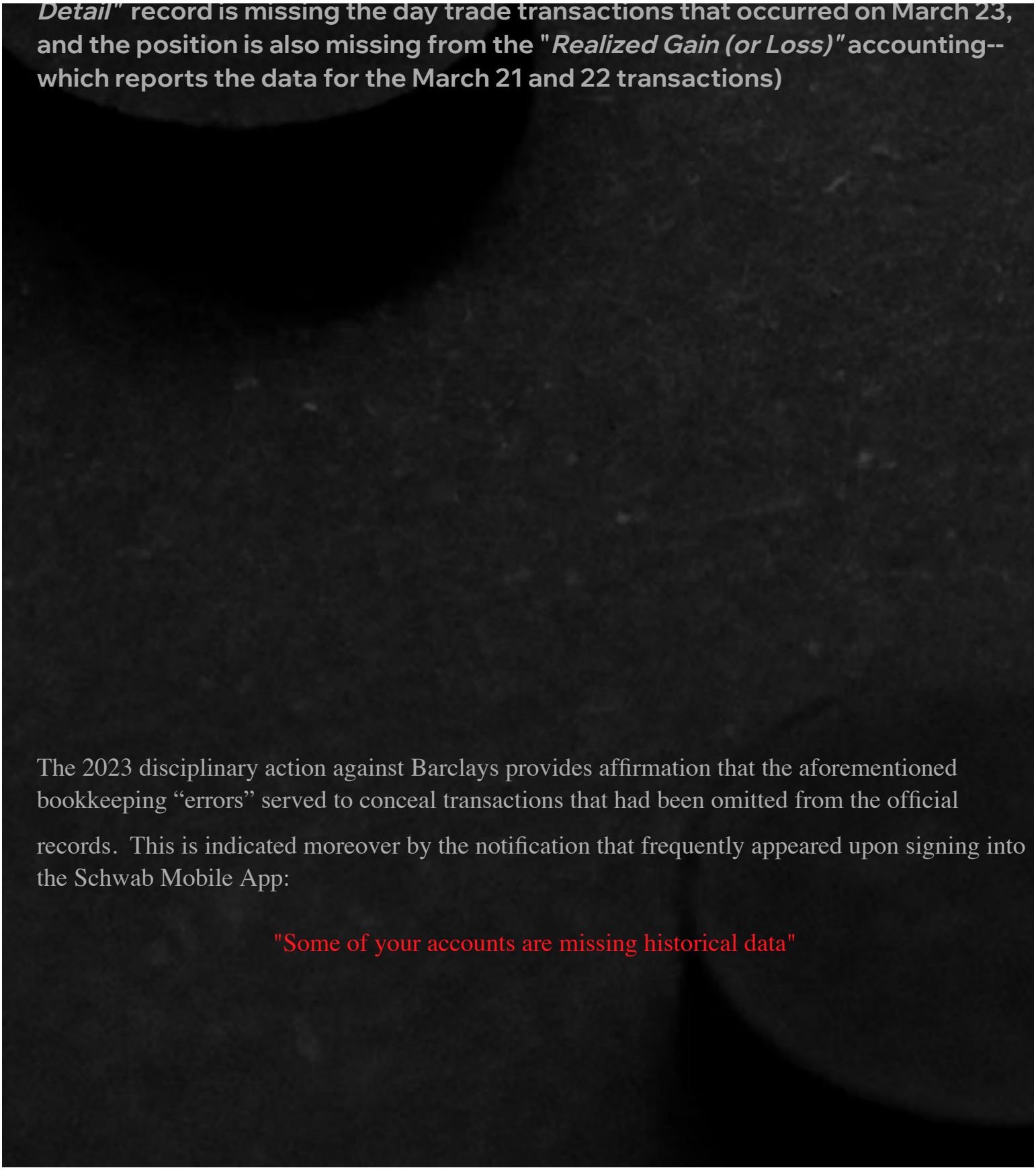
March Brokerage Statement - Page 21

Transaction Detail - Purchases & Sales (continued)

Options Activity (continued)

Settle Date	Trade Date	Transaction	Description	Quantity	Unit Price	Total Amount
03/23/18	03/22/18	Sold	PUT TD AMERITRADE HLDGS $60.5 EXP 03/23/18: AMTD 03/23/2018 60.50 P	(4.0000)	1.1000	436.82
03/23/18	03/22/18	Sold	PUT TD AMERITRADE HLDGS $60.5 EXP 03/23/18: AMTD 03/23/2018 60.50 P	(5.0000)	1.1000	546.05
03/23/18	03/22/18	Sold	PUT TD AMERITRADE HLDGS $59.5 EXP 03/29/18: AMTD 03/29/2018 59.50 P	(5.0000)	1.1800	584.18
03/23/18	03/22/18	Sold	PUT TD AMERITRADE HLDGS $59.5 EXP 03/29/18: AMTD 03/29/2018 59.50 P	(5.0000)	1.1800	584.19
03/23/18	03/22/18	Bought	CALL SPDR GOLD TR $126 EXP 03/23/18: GLD 03/23/2018 126.00 C	100.0000	0.2900	(2,971.51)
03/23/18	03/22/18	Bought	CALL SPDR GOLD TR $127 EXP 03/23/18: GLD 03/23/2018 127.00 C	500.0000	0.0700	(3,837.75)
03/23/18	03/22/18	Cover Short	CALL SPDR GOLD TR $127 EXP 03/29/18: GLD 03/29/2018 127.00 C	30.0000	0.4000	(1,224.92)
03/23/18	03/22/18	Bought	CALL SPDR GOLD TR $127 EXP 03/29/18: GLD 03/29/2018 127.00 C	68.0000	0.4100	(2,836.64)
03/23/18	03/22/18	Bought	CALL SPDR GOLD TR $127 EXP 03/29/18: GLD 03/29/2018 127.00 C	32.0000	0.4100	(1,334.87)
03/23/18	03/22/18	Cover Short	CALL SPDR GOLD TR $128 EXP 03/29/18: GLD 03/29/2018 128.00 C	50.0000	0.1800	(938.24)

Two positions apparently existed, but only one was actually reported, and the recordkeeping "error" cleverly conceals the omission. (i.e., the *"Transaction*


Detail" record is missing the day trade transactions that occurred on March 23, and the position is also missing from the "*Realized Gain (or Loss)"* accounting--which reports the data for the March 21 and 22 transactions)
The 2023 disciplinary action against Barclays provides affirmation that the aforementioned bookkeeping “errors” served to conceal transactions that had been omitted from the official records. This is indicated moreover by the notification that frequently appeared upon signing into the Schwab Mobile App:
"Some of your accounts are missing historical data"

2023 FINRA DISCIPLINARY ACTION

See the full *FINRA Letter of Acceptance, Waiver, and Consent"*
A.W.C No. 2019061076001

The FINRA Disciplinary Action against Barclays Capital directly affirmed that "positions were not reported" "as a result" of "coding errors" that caused the exact species of error as presented above. In all, it's a rather convoluted way of saying "TRANSACTIONS ARE MISSING FROM THE OFFICIAL RECORDS."

Specifically, Barclay's consented to the finding that:

"[C]oding errors caused positions that were either booked or rebooked after the trade date to be reported with a trade date that was later than the actual trade date. As a result, positions were not reported during the time between the actual trade date and the later, incorrectly reported trade date" (FINRA A.W.C. No. 2019061076001)

Indeed, "coding errors" coincided with Schwab's erroneous accounting, too, as described by "Exhibit S"

From FINRA Letter of "Acceptance, Waiver, and Consent
A.W.C No. 2019061076001

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